



Booking Holdings Inc.

Q3 upside as travel industry and execution strong. Strong 2023 outlook raised. Raising P/T to \$3,900.

COMPANY UPDATE

Rating: BUY

Ticker: BKNG

Price: \$3,550

Target: \$3,900
(from \$3,700)

Q3 very strong: Booking recently (on November 2) reported its fiscal Q3 2023 (ending September) results. Revenue was \$7.34 billion (+21% y-o-y), compared to our estimate of \$7.19 billion and consensus of \$7.27 billion. Pro forma EPS was \$72.32, compared to our estimate of \$66.86 and consensus of \$67.58. EBITDA was \$3,284 million (vs. \$2,658 million y-o-y), compared to our estimate of \$3,199 million. Q3 general qualitative guidance was for revenue growth of “about (our estimate)” high-teens and EBITDA of ~\$3,190 million (growth of ~+20% y-o-y).

Q3 strong growth: Gross bookings were \$39.8 billion (+24% y-o-y), compared to our estimate of \$38.5 billion. The company saw strong growth in most of its business around the world (with almost all regions well above pre-pandemic levels).

October room nights up 8%: In October (current Q4), room nights increased 8% (y-o-y), and is expected to increase 9% vs. Q4 2022 (when revenue was +36% y-o-y).

Raised 2023 guidance: The company raised general qualitative guidance for 2023 revenue growth to “mid 20%” from “low 20%”. It maintained that operating income to be above 2019’s (\$5,398 million) and 2022’s (\$5,102 million).

Strong Q4 guidance: The company provided initial Q4 general qualitative guidance for revenue growth of “about (our estimate)” mid to high-teens and EBITDA of “just over” \$1.4 billion (growth of ~+13% y-o-y).

Raising EPS estimates strongly: We are maintaining our 2023 revenue estimates of \$21.3 billion, but raising it for EPS to \$149.92 from \$144.93. We are raising our 2024 estimates for revenue to \$23.5 billion, from \$23.2 billion, and for EPS to \$166.52 from \$158.96.

Travel’s strong growth: Like all other travel services providers, Booking had material negative impact from the recent coronavirus pandemic. However, Booking has returned and is even well above normalized (pre-pandemic) business in 2022, and 2023 is even stronger. The company expects increased consumer confidence and pent up demand to drive a rebound in the travel industry over the next several years. The entire 2023 travel season has been very strong for Booking, and 2024 bookings so far are also very strong.

Positive risk versus reward: We continue to be positive on Booking longer term as traveling and the travel industry has now returned back to normal and will continue to grow stronger and that Booking as one of the world’s largest OTA is in good position to capture a significant share of the economics within the travel industry.

Current valuation attractive: Maintaining our BUY rating, but raising our 12-month price target to \$3,900 from \$3,700, which reflects a forward P/E of ~23.4x our 2024 EPS estimate of \$167. This P/E multiple is slightly above the peer group of online travel companies to reflect its higher normalized earnings growth.

Company Description

Based in Norwalk, CT, Booking Holdings is a global online travel company that offers airline tickets, hotel rooms, car rentals, and other travel services through its Booking.com, priceline, and Agoda brands.

Stock Data

Exchange:	NasdaqGS
52-week Range:	\$1,978 – 3,581
Shares Outstanding (million):	36
Market cap (\$million):	\$127,800
EV (\$million):	\$127,651
Debt (\$million):	\$13,769
Cash (\$million):	\$13,918
Avg. Daily Trading Vol. (\$million):	\$923
Float (million shares):	35
Short Interest (million shares):	1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	3,778A		4,147E	
Q2 Jun	5,462A		5,541E	
Q3 Sep	7,341A	7,188E	8,558E	8,145E
Q4 Dec	<u>4,741E</u>	<u>4,833E</u>	<u>5,226E</u>	<u>5,321E</u>
Total	21,322E	21,260E	23,471E	23,153E
EV/Revs	6x		5x	

Earnings per Share (pro forma)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	11.60A		16.98E	16.49E
Q2 Jun	37.62A		29.73E	28.90E
Q3 Sep	72.32A	66.86E	77.86E	71.99E
Q4 Dec	<u>29.82E</u>	<u>29.53E</u>	<u>41.78E</u>	<u>41.42E</u>
Total	149.92E	144.93E	166.52E	158.96E
P/E	24x		21x	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 9.

OVERVIEW

- Booking recently (on November 2) reported its fiscal Q3 2023 (ending September) results.
- Revenue was \$7.34 billion (+21% y-o-y), compared to our estimate of \$7.19 billion and consensus of \$7.27 billion.
- Pro forma EPS was \$72.32, compared to our estimate of \$66.86 and consensus of \$67.58.
- Gross bookings were \$39.8 billion (+24% y-o-y), compared to our estimate of \$38.5 billion.
- EBITDA was \$3,284 million (vs. \$2,658 million y-o-y), compared to our estimate of \$3,199 million.
- Q3 general qualitative guidance was for revenue growth of “about (our estimate)” high-teens and EBITDA of ~\$3,190 million (growth of ~+20% y-o-y).
- The company raised general qualitative guidance for 2023 revenue growth to “mid 20%” from “low 20%”. It maintained that operating income to be above 2019’s (\$5,398 million) and 2022’s (\$5,102 million).
- The company provided initial Q4 general qualitative guidance for revenue growth of “about (our estimate)” mid to high-teens and EBITDA of “just over” \$1.4 billion (growth of ~+13% y-o-y).
- We are maintaining our 2023 revenue estimates of \$21.3 billion, but raising it for EPS to \$149.92 from \$144.93.
- We are raising our 2024 estimates for revenue to \$23.5 billion, from \$23.2 billion, and for EPS to \$166.52 from \$158.96.

ADDITIONAL DETAILS

- Growth by product were: Hotels Room Nights +15% (vs. +9% in Q2 2023 and +32% in Q3 2022), Air Tickets +57% (vs. +58% in Q2 2023 and +45% in Q3 2022), and Rental Car Days +20% (vs. +24% in Q2 2023 and +25% in Q3 2022).
- Revenue as a percentage of gross bookings was 18%, compared with our estimate of 19% and 19% last year.
- Operating expenses were \$4.24 billion, versus our expectation of \$4.09 billion.
- Operating income was \$3,103 million, versus our expectation of \$3,094 million.
- Pro forma net income was \$2,602 million, versus our expectation of \$2,471 million.
- In November 2021, Booking announced that it has entered into an agreement with funds managed by CVC Capital Partners to acquire global flight booking provider, Etraveli Group, for approximately €1.63 billion. The deal has not yet closed and is expected to close in 2023. This deal was expected to have a “minor impact on P&L” in 2022.
- In September 2023, the EU blocked this deal so this deal is over.
- In December 2023, the company announced that Ewout Steenbergen will join the company as Chief Financial Officer (effective March 15, 2024) replacing David Goulden who announced earlier this year that he will be retiring as CFO. Mr. Steenbergen joins Booking from S&P Global, where he most recently served as Chief Financial Officer.

The company’s balance sheet remains solid, with \$13.9 billion in cash and \$13.8 billion in debt (~\$4/share in net cash), compared with \$14.1 billion in cash and \$15.2 billion in debt at the end of June.

Exhibit 1: Quarterly Room Nights Change versus 2022 and 2019

Quarterly Room Nights and Change versus the prior year and 2019



Source: Company report.

Exhibit 2: Q4 and 2023 Guidance (as of November 2, 2023)

Outlook

In October 2023, we estimate that year-over-year room night growth was about 8%. We saw a negative impact on room night growth in the month due to the Israel-Hamas war. Israel on a booker and inbound basis combined represented about 1% of our total room nights prior to the war. If we exclude Israel room nights from October 2023 and October 2022, we estimate that our year-over-year room night growth for the month was about 9%. For the fourth quarter of 2023, taking into account the impact from the war, we assume room nights will grow about 9% relative to the fourth quarter of 2022. Given that assumption for room night growth, we expect the following for the fourth quarter of 2023:

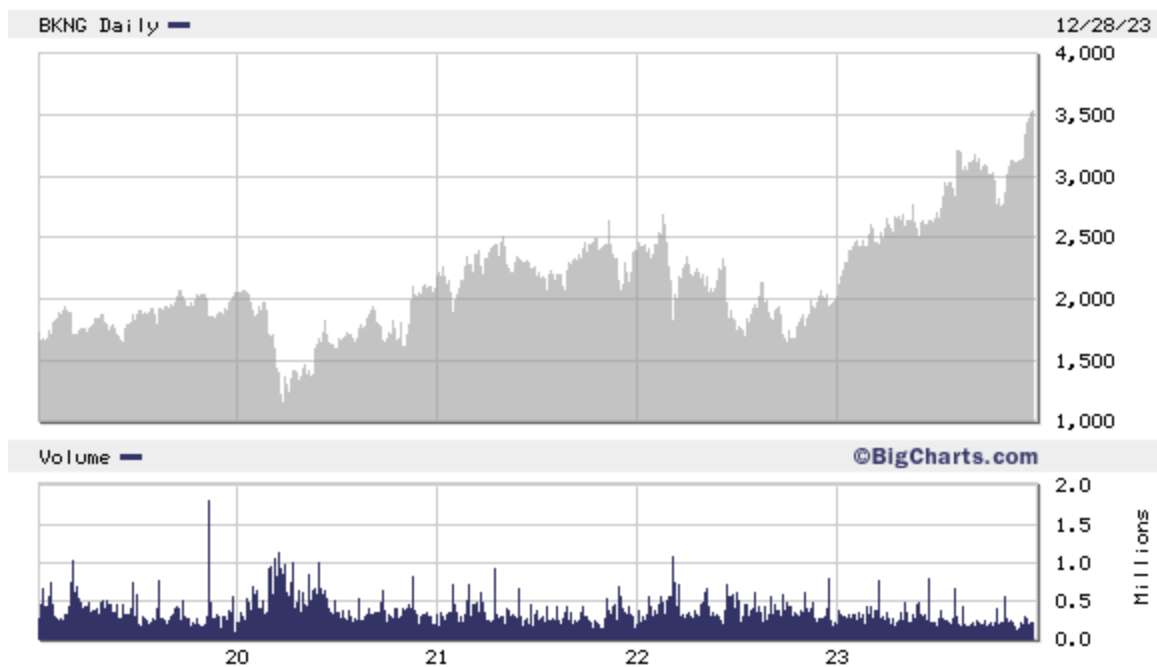
- the year-over-year growth in gross bookings will be about five percentage points higher than the year-over-year growth in room nights;
- revenues as a percentage of gross bookings will be slightly higher than it was in the fourth quarter of 2022; and
- operating profit will be higher than in the fourth quarter of 2022.

Given the strong level of bookings we have seen in the first three quarters of 2023, and incorporating our outlook for the fourth quarter, we are updating our outlook for full-year 2023. For the full year, assuming room nights increase in 2023 compared to 2022 by a mid- to high-teens percentage, we expect the following:

- the year-over-year growth in gross bookings will be over 20%;
- revenues as a percentage of gross bookings will be slightly higher than it was in 2022; and
- operating profit will be higher than in 2019 and 2022.

Source: Company report.

Exhibit 3: Booking Holdings Stock Price (Five Years)



Source: <https://bigcharts.marketwatch.com/>

Exhibit 4: Consensus Expectations (as of November 2, 2023)

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$3,778A		Q1 Mar	\$11.60A	
Q2 Jun	\$5,462A		Q2 Jun	\$37.62A	
Q3 Sep	\$7,265E		Q3 Sep	\$67.58E	
Q4 Dec	\$4,640E		Q4 Dec	\$29.97E	
Total	\$21,155E	\$23,537E	Total	\$145.09E	\$170.70E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

FINANCIAL MODEL

Booking Holdings Inc.

Income Statement (\$ millions)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	1,141	2,160	4,676	2,981	10,958	2,695	4,294	6,052	4,049	17,090	3,778	5,462	7,341	4,741	21,322	4,147	5,541	8,558	5,226	23,471
Cost of Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	1,141	2,160	4,676	2,981	10,958	2,695	4,294	6,052	4,049	17,090	3,778	5,462	7,341	4,741	21,322	4,147	5,541	8,558	5,226	23,471
Advertising - brand					0					0					0	0	0	0	0	0
Marketing expenses	461	988	1,378	974	3,801	1,147	1,737	1,795	1,314	5,993	1,517	1,801	2,022	1,517	6,857	1,327	1,662	2,054	1,307	6,350
Sales and other	112	206	302	261	881	339	465	540	474	1,818	542	666	723	522	2,453	415	609	941	575	2,540
Personnel	552	686	591	485	2,314	596	635	636	598	2,465	722	752	788	759	3,021	995	1,164	1,284	836	4,279
General and administrative	119	134	179	188	620	158	207	262	307	934	289	304	387	332	1,312	373	499	428	366	1,666
IT	87	93	109	123	412	134	137	129	126	526	137	144	187	142	610	166	166	257	157	746
Depreciation and amortization	113	108	102	98	421	111	107	109	124	451	120	121	129	105	475	105	105	105	105	420
Restructuring and other	8	1		4	13	36	6	(2)	(239)	(199)	1	1	2		4					0
Total operating expenses	1,452	2,216	2,661	2,133	8,462	2,521	3,294	3,469	2,704	11,988	3,328	3,789	4,238	3,377	14,732	3,381	4,205	5,069	3,345	16,000
Operating income (loss)	(311)	(56)	2,015	848	2,496	174	1,000	2,583	1,345	5,102	450	1,673	3,103	1,365	6,591	766	1,336	3,489	1,881	7,472
Interest income (expense)	(98)	(81)	(80)	(75)	(334)	(68)	(76)	(102)	(145)	(391)	(194)	(241)	(254)	(163)	(852)	(166)	(165)	(165)	(164)	(660)
Other income (expense)	131	96	(967)	43	(697)	(955)	220	(305)	252	(788)	47	186	300	0	533	0	0	0	0	0
Income before income taxes	(278)	(41)	968	816	1,465	(849)	1,144	2,176	1,452	3,923	303	1,618	3,149	1,201	6,271	600	1,170	3,324	1,717	6,812
Income taxes	(223)	126	198	198	300	(149)	287	510	217	865	37	328	638	228	1,231	114	222	632	326	1,294
Net income (loss)	(55)	(167)	769	618	1,165	(700)	857	1,666	1,235	3,058	266	1,290	2,511	973	5,040	486	948	2,693	1,391	5,517
Nonrecurring/noncash adjustments	(160)	63	790	37	728	861	(81)	438	(278)	940	175	101	91	100	467	125	125	125	125	500
Net income	(215)	(105)	1,559	655	1,893	161	776	2,104	958	3,999	441	1,391	2,602	1,073	5,507	611	1,073	2,818	1,516	6,017
EBITDA	(195)	48	2,111	940	2,904	310	1,086	2,658	1,241	5,295	586	1,778	3,284	1,470	7,118	871	1,441	3,594	1,986	7,892
Shares, Basic	41.0	41.1	41.1	41.1	41.0	40.9	40.5	39.6	38.5	39.9	37.6	36.7	35.6	35.6	36.4	35.5	35.6	35.7	35.8	35.6
Shares, Diluted	41.0	41.1	41.3	41.4	41.4	41.2	40.7	39.7	38.7	40.1	38.0	37.0	36.0	36.0	36.7	36.0	36.1	36.2	36.3	36.1
EPS Basic (Pro forma)	(\$5.26)	(\$2.55)	\$37.96	\$15.94	\$46.13	\$3.94	\$19.15	\$53.18	\$24.85	\$100.28	\$11.71	\$37.92	\$73.16	\$30.17	\$151.45	\$17.23	\$30.16	\$78.99	\$42.38	\$168.93
EPS Diluted (Pro forma)	(\$5.26)	(\$2.55)	\$37.70	\$15.83	\$45.77	\$3.91	\$19.08	\$53.03	\$24.74	\$99.83	\$11.60	\$37.62	\$72.32	\$29.82	\$149.92	\$16.98	\$29.73	\$77.86	\$41.78	\$166.52
Income Statement Ratios																				
Gross margin	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Advertising - brand	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Advertising - performance	40.4%	45.7%	29.5%	32.7%	34.7%	42.6%	40.5%	29.7%	32.5%	35.1%	40.2%	33.0%	27.5%	32.0%	32.2%	32.0%	30.0%	24.0%	25.0%	27.1%
Sales and marketing	9.8%	9.5%	6.5%	8.8%	8.0%	12.6%	10.8%	8.9%	11.7%	10.6%	14.3%	12.2%	9.8%	11.0%	11.5%	10.0%	11.0%	11.0%	11.0%	10.8%
Personnel	48.4%	31.8%	12.6%	16.3%	21.1%	22.1%	14.8%	10.5%	14.8%	14.4%	19.1%	13.8%	10.7%	16.0%	14.2%	24.0%	21.0%	15.0%	16.0%	18.2%
General and administrative	10.4%	6.2%	3.8%	6.3%	5.7%	5.9%	4.8%	4.3%	7.6%	5.5%	7.6%	5.6%	5.3%	7.0%	6.2%	9.0%	9.0%	5.0%	7.0%	7.1%
IT	7.6%	4.3%	2.3%	4.1%	3.8%	5.0%	3.2%	2.1%	3.1%	3.1%	3.6%	2.6%	2.5%	3.0%	2.9%	4.0%	3.0%	3.0%	3.0%	3.2%
Operating margin	-27.3%	-2.6%	43.1%	28.4%	22.8%	6.5%	23.3%	42.7%	33.2%	29.9%	11.9%	30.6%	42.3%	28.8%	30.9%	18.5%	24.1%	40.8%	36.0%	31.8%
Tax rate, GAAP	80.2%	-307.3%	20.6%	24.3%	20.5%	17.6%	25.1%	23.4%	14.9%	22.0%	12.2%	20.3%	20.3%	19.0%	19.6%	19.0%	19.0%	19.0%	19.0%	19.0%
Net margin	-4.8%	-7.7%	16.4%	20.7%	10.6%	-26.0%	20.0%	27.5%	30.5%	17.9%	7.0%	23.6%	34.2%	20.5%	23.6%	11.7%	17.1%	31.5%	26.6%	23.5%
Y/Y % change																				
Total Revenue	-50.1%	242.9%	77.1%	140.8%	61.2%	136.2%	98.8%	29.4%	35.8%	56.0%	40.2%	27.2%	21.3%	17.1%	24.8%	9.8%	1.4%	16.6%	10.2%	10.1%
Gross margin	-50.1%	242.9%	77.1%	140.8%	61.2%	136.2%	98.8%	29.4%	35.8%	56.0%	40.2%	27.2%	21.3%	17.1%	24.8%	9.8%	1.4%	16.6%	10.2%	10.1%
Advertising - brand	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Advertising - performance	-45.8%	368.2%	88.5%	152.3%	74.4%	148.8%	75.8%	30.3%	34.9%	57.7%	32.3%	3.7%	12.6%	15.5%	14.4%	-12.5%	-7.7%	1.6%	-13.9%	-7.4%
Sales and marketing	-70.3%	57.3%	134.1%	121.2%	16.7%	202.7%	125.7%	78.8%	81.6%	106.4%	59.9%	43.2%	33.9%	10.0%	34.9%	-23.5%	-8.5%	30.2%	10.2%	3.6%
Personnel	14.0%	51.8%	14.3%	-1.2%	19.0%	8.0%	-7.4%	7.6%	23.3%	6.5%	21.1%	18.4%	23.9%	26.9%	22.5%	37.8%	54.7%	62.9%	10.2%	41.6%
General and administrative	-40.8%	28.8%	20.9%	46.9%	6.7%	32.8%	54.5%	46.4%	63.3%	50.6%	82.9%	46.9%	47.7%	8.1%	40.5%	29.1%	64.0%	10.6%	10.2%	27.0%
IT	11.5%	32.9%	53.5%	53.8%	37.8%	54.0%	47.3%	18.3%	2.4%	27.7%	2.2%	5.1%	45.0%	12.9%	16.0%	21.1%	15.4%	37.3%	10.2%	22.2%
Operating income (loss)	NM	NM	NM	NM	NM	NM	NM	28.2%	58.6%	104.4%	158.6%	67.3%	20.1%	1.5%	29.2%	70.2%	-20.2%	12.4%	37.8%	13.4%
Net income (loss)	NM	NM	-4.0%	NM	NM	NM	NM	116.8%	99.8%	162.5%	NM	50.5%	50.7%	-21.2%	64.8%	82.7%	-26.5%	7.2%	42.9%	9.5%
EPS Diluted (Pro forma)	NM	NM	207.3%	NM	NM	NM	NM	40.7%	56.3%	118.1%	196.5%	97.2%	36.4%	20.6%	50.2%	46.4%	-21.0%	7.7%	40.1%	11.1%

Source: Company reports and Ascendant Capital Markets estimates

Booking Holdings Inc.																
Balance Sheet (\$ millions)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	\$12,151	\$11,231	\$11,643	\$11,127	\$10,549	\$11,841	\$9,021	\$12,221	\$14,140	\$14,602	\$13,294	\$9,556	\$10,080	\$10,721	\$12,649	\$14,787
Short term investments	500	501	522	25			116	175	359	640	624	624	624	624	624	624
Restricted cash												0	0	0	0	0
Accounts receivable, net	586	1,290	1,555	1,358	1,611	2,249	2,284	2,229	2,048	2,805	3,447	1,054	1,152	1,601	2,472	1,161
Prepaid expenses and other current assets	871	767	632	635	715	834	989	1,173	1,085	1,302	1,114	379	290	277	342	418
Deferred income taxes												0	0	0	0	0
Total current assets	14,108	13,789	14,352	13,145	12,875	14,924	12,410	15,798	17,632	19,349	18,479	11,613	12,146	13,223	16,087	16,991
Property and equipment, net	734	748	762	822	844	858	879	669	699	732	733	765	797	1,080	1,112	1,395
Intangibles, net	3,644	3,611	3,549	4,944	4,875	4,767	4,663	4,636	4,593	4,543	4,464	4,419	4,374	4,329	4,284	4,239
Deferred income taxes												0	0	0	0	0
Long term investments	3,788	4,319	3,283	3,175	2,200	2,381	2,650	2,789	806	440	420	420	420	420	420	420
Other	1,381	1,414	1,395	1,555	1,590	1,563	1,461	1,469	1,476	1,494	1,539	1,539	1,539	1,539	1,539	1,539
Total assets	23,655	23,881	23,341	23,641	22,384	24,493	22,063	25,361	25,206	26,558	25,635	18,756	19,276	20,591	23,442	24,584
Liabilities and stockholders' equity																
Accounts payable	570	1,028	1,466	1,586	1,504	2,240	2,131	2,507	2,132	2,123	3,020	569	581	831	1,027	627
Accrued expenses	1,350	1,620	2,069	1,765	1,876	2,364	2,925	3,244	3,584	3,463	4,182	1,422	1,659	1,385	1,712	1,568
Deferred merchant	643	1,896	1,086	906	2,765	4,395	2,253	2,223	4,500	6,040	3,717	1,043	829	1,219	856	1,150
Income tax payable and other																
Convertible/short term debt	3,905	2,180	1,158	1,989	1,333	1,283	1,234	500	854	855	1,913	1,913	1,913	1,913	1,913	1,913
Total current liabilities	6,468	6,724	5,779	6,246	7,478	10,282	8,543	8,474	11,070	12,481	12,832	4,947	4,981	5,348	5,507	5,258
Deferred income taxes	2,034	1,107	906	905	721	805	723	685	368	338	350	350	350	350	350	350
Other long term liabilities	459	1,260	1,235	1,375	1,377	1,214	1,177	1,435	1,422	1,206	1,222	1,222	1,222	1,222	1,222	1,222
Convertible/long term debt	9,930	9,991	9,876	8,937	8,435	8,190	7,950	11,985	11,272	13,198	11,856	11,856	11,856	11,856	11,856	11,856
Minority interest												0	0	0	0	0
Total other liabilities	12,423	12,358	12,017	11,217	10,533	10,209	9,850	14,105	13,062	14,742	13,428	13,428	13,428	13,428	13,428	13,428
Common stock												0	0	0	0	0
Treasury Stock	(24,274)	(24,283)	(24,286)	(24,290)	(25,390)	(26,664)	(28,630)	(30,983)	(33,178)	(36,319)	(38,944)	(38,944)	(38,944)	(38,944)	(38,944)	(38,944)
Additional paid-in capital	5,965	6,059	6,068	6,159	6,163	6,278	6,385	6,491	6,712	6,848	6,996	6,996	6,996	6,996	6,996	6,996
Retained earnings	23,233	23,066	23,835	24,453	23,783	24,640	26,306	27,541	27,807	29,097	31,608	32,581	33,067	34,015	36,708	38,099
Accumulated other comprehensive (loss) income	(160)	(43)	(72)	(144)	(183)	(252)	(391)	(267)	(267)	(291)	(285)	(285)	(285)	(285)	(285)	(285)
Other												32	32	32	32	32
Total stockholders' equity	4,764	4,799	5,545	6,178	4,373	4,002	3,670	2,782	1,074	(665)	(625)	380	866	1,814	4,507	5,898
Total stockholders' equity and liabilities	\$23,655	\$23,881	\$23,341	\$23,641	\$22,384	\$24,493	\$22,063	\$25,361	\$25,206	\$26,558	\$25,635	\$18,756	\$19,276	\$20,591	\$23,442	\$24,584

Balance Sheet Drivers																
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	76%	36%	14%	21%	27%	19%	16%	29%	29%	24%	15%	8%	7%	5%	4%	8%
Deferred Merchant as % of total rev	56%	88%	23%	30%	103%	102%	37%	55%	119%	111%	51%	22%	20%	22%	10%	22%
Accounts payable as % of total rev	50%	48%	31%	53%	56%	52%	35%	62%	56%	39%	41%	12%	14%	15%	12%	12%
Accrued expenses as % of total rev	118%	75%	44%	59%	70%	55%	48%	80%	95%	63%	57%	30%	40%	25%	20%	30%
Activity Ratios																
A/R Days Sales Outstanding	46	54	30	41	54	47	34	50	49	46	42	20	25	26	26	20
Deferred Merchant (w/ Revenue)	51	79	21	27	92	92	34	49	107	100	46	20	18	20	9	20
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$116.27	\$116.89	\$134.10	\$149.33	\$106.16	\$98.41	\$92.51	\$71.87	\$28.28	(\$17.51)	(\$16.91)	\$10.57	\$24.08	\$50.28	\$124.55	\$162.54
Cash per Share (diluted)	\$308.76	\$285.77	\$294.20	\$269.56	\$256.10	\$291.18	\$230.32	\$320.24	\$381.72	\$401.28	\$376.53	\$282.88	\$297.44	\$314.38	\$366.78	\$424.71
Net cash per Share (diluted)	(\$28.90)	(\$10.69)	\$27.35	\$5.46	\$18.96	\$58.23	(\$1.18)	(\$2.30)	\$62.48	\$31.30	\$4.03	(\$99.73)	(\$85.17)	(\$67.17)	(\$13.72)	\$45.26

Source: Company reports and Ascendant Capital Markets estimates

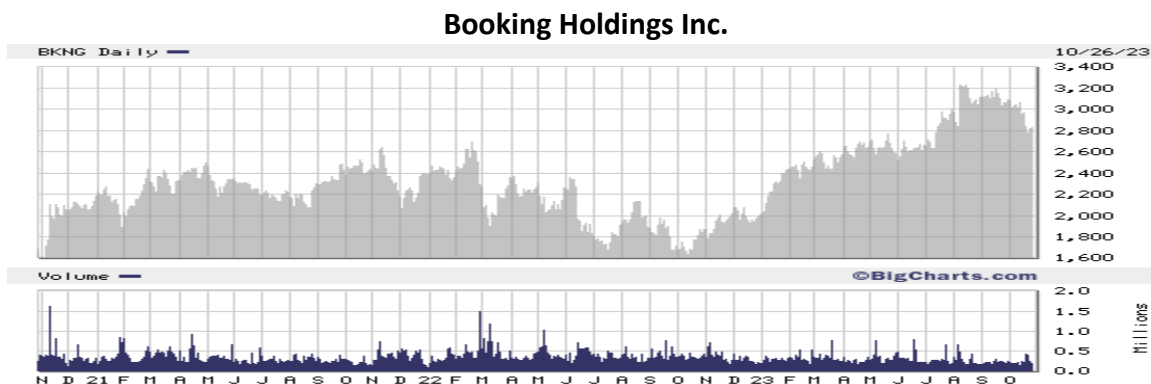
Booking Holdings Inc.

Cash Flow Statement (\$ millions)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(\$55)	(\$167)	\$769	\$618	\$1,165	(\$700)	\$857	\$1,666	\$1,235	\$3,058	\$266	\$1,290	\$2,511	\$973	\$5,040	\$486	\$948	\$2,693	\$1,391	\$5,517	
Depreciation	113	108	102	98	421	111	107	226	7	451	120	121	129	60	430	60	60	60	60	240	
Amortization	45	46	(91)	0	0					0	41	39	40	45	155	45	45	45	45	180	
Provision for accounts receivable		37	51	21	109	55	58	66	53	232	54	81	89		224					0	
Deferred income taxes	(50)	(70)	(223)	(102)	(445)	(216)	51	(81)	(11)	(257)	(340)	(49)	(20)	0	(409)	0	0	0	0	0	
Stock comp	113	91	86	86	376	93	108	101	102	404	113	128	128	65	434	65	65	65	65	260	
Amortization of financing	16	14	14	10	54					0					0					0	
Tax benefit of stock option exercises					0					0					0					0	
Other gains/losses	(32)	(153)	1,016	(20)	811	987	(181)	336	(419)	723	133	34	(16)		151					0	
F/X gains/losses	(91)	37	(54)	(27)	(135)	(30)	(38)	(2)	24	(46)	26	8	(36)		(2)					0	
Other	(4)	21	135	43	195	69	52	(81)	154	194			3	(65)	(62)	(65)	(65)	(65)	(65)	(260)	
Changes in operating assets and liabilities:																					
Accounts receivable	(72)	(748)	(352)	170	(1,002)	(326)	(790)	(242)	130	(1,228)	158	(830)	(834)	2,393	887	(98)	(449)	(872)	1,311	(108)	
Prepaid expenses & other current assets	(258)	85	138	41	6	(56)	(125)	(243)	207	(217)	118	(208)	186	735	831	89	13	(65)	(76)	(39)	
Accounts payable & accrued expenses	114	1,859	110	(544)	1,539	1,868	2,993	(1,270)	127	3,718	2,038	1,091	(485)	(7,885)	(5,241)	34	367	159	(249)	310	
Income tax payable and other	(46)	(8)	(105)	(115)	(274)	(160)	(408)	(474)	564	(478)	162	32	(323)	0	(129)	0	0	0	0	0	
Net cash (used in) provided by operating activities	(207)	1,152	1,596	279	2,820	1,695	2,684	2	2,173	6,554	2,889	1,737	1,372	(3,678)	2,320	616	984	2,020	2,482	6,101	
Cash flow from investing activities																					
Purchases of property and equipment	(65)	(59)	(79)	(101)	(304)	(109)	(86)	(98)	(75)	(368)	(88)	(92)	(71)	(92)	(343)	(92)	(343)	(92)	(343)	(870)	
Purchases of short-term investments		(7)	0	498	491	(12)	(709)	(15)		(736)	1,683	42	48	0	1,773	0	0	0	0	0	
Sale of short-term investments					0					0					0					0	
Acquisitions				(1,185)	(1,185)					0					0					0	
Other	0	(5)		0	0	(36)	22	600	586	(9)	11	1	0	3	0	0	0	0	0	0	
Net cash used in investing activities	(65)	(71)	(79)	(783)	(998)	(121)	(122)	(785)	510	(518)	1,586	(39)	(22)	(92)	1,433	(92)	(343)	(92)	(343)	(870)	
Cash flow from financing activities																					
Issuance of debt	2,015	(10)		10	2,015				3,621	3,621		1,893		1,893						0	
Repayment of debt		(1,982)	(1,086)		(3,068)	(1,102)			(778)	(1,880)	(500)			0	(500)	0	0	0	0	0	
Repurchase of common stock	(137)	(13)	(9)	(4)	(163)	(1,049)	(1,239)	(1,990)	(2,343)	(6,621)	(2,150)	(3,099)	(2,640)	0	(7,889)	0	0	0	0	0	
Proceeds from stock option exercises					0					0	105	4	13		122					0	
Other	(9)	(2)	(1)	(11)	(23)	12	1	(9)	(21)	(17)	(17)	(23)	(5)	(45)						0	
Proceeds from issuance of common stock					0					0					0	0	0	0	0	0	
Cash provided by (used in) financing activities	1,869	(2,007)	(1,096)	(5)	(1,239)	(2,139)	(1,238)	(1,999)	479	(4,897)	(2,562)	(1,225)	(2,632)	0	(6,419)	0	0	0	0	0	
Effect of exchange rate on cash and cash equivalents	(7)	6	(10)	(2)	(13)	(9)	(35)	(39)	43	(40)	8	(15)	(22)		(29)					0	
Net increase (decrease) in cash and equivalents	1,590	(920)	411	(511)	570	(574)	1,289	(2,821)	3,205	1,099	1,921	458	(1,304)	(3,770)	(2,695)	524	641	1,928	2,139	5,231	
Beginning cash and equivalents	10,582	12,172	11,252	11,663	10,582	11,152	10,578	11,867	9,046	11,152	12,251	14,172	14,630	13,326	12,251	9,556	10,080	10,721	12,649	9,556	
Ending cash and equivalents	\$12,172	\$11,252	\$11,663	\$11,152	\$11,152	\$10,578	\$11,867	\$9,046	\$12,251	\$12,251	\$14,172	\$14,630	\$13,326	\$9,556	\$9,556	\$10,080	\$10,721	\$12,649	\$14,787	\$14,787	

Source: Company reports and Ascendant Capital Markets estimates

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Report	Report Date	Rating	Price Target
32	2/28/2018	B	2,250.00
33	5/10/2018	B	2,350.00
34	8/11/2018	B	2,200.00
35	11/7/2018	B	2,275.00
36	3/1/2019	B	2,050.00
37	5/14/2019	B	2,000.00
38	8/9/2019	B	2,250.00
39	11/12/2019	B	2,150.00
40	2/27/2020	B	1,950.00
41	5/26/2020	B	1,900.00
42	8/7/2020	B	2,000.00
43	12/2/2020	B	2,400.00
44	2/26/2021	B	2,600.00
45	6/10/2021	B	2,700.00
46	9/11/2021	B	2,750.00
47	1/8/2022	B	2,800.00
48	3/23/2022	B	2,850.00
49	6/11/2022	B	2,555.00
50	9/11/2022	B	2,500.00
51	12/15/2022	B	2,400.00
52	3/26/2023	B	2,850.00
53	6/8/2023	B	3,000.00
54	9/15/2023	B	3,700.00

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BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of October 13, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	51	98%	19	37%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	19	37%

Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

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